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Answered by DDI 8068-82

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EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI	X			
6	DDA				
7	DDO		X		
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9	Chm/NIC		X		
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12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
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18	AO/DCI				
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SUSPENSE		4 October			
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Remarks: Please coordinate with C/NIC and prepare response for DCI's signature. (I have acknowledged receipt to Col. Wood who will inform Anne Armstrong that DCI will be replying on his return.)

Executive Secretary
22 September 1982

Date

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ROUTING			
TO:	NAME AND ADDRESS	DATE	INITIALS
1			
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	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
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B-204

DISSEMINATION CONTROL ABBREVIATIONS

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THE WHITE HOUSE

WASHINGTON

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD
September 20, 1982

Dear Bill:

In response to your letter to me of July 29, and our subsequent brief conversation on September 8, I thoroughly understand your assertion that you need specifics in order to better address the problem of consumer dissatisfaction with intelligence. However, the interviews and the seminar were conducted under the ground rules of anonymity for those concerned to insure their complete frankness. I think that my pledge of anonymity can be preserved and at the same time your need for specificity can be met by the enclosed transcript of their comments and precise paraphrases without assigning them to their sources (Attachment 1).

I also enclose a list of those interviewed and of those who participated in the seminar in the office. The same lists were contained in the semi-annual report to the President (Attachment 2).

I would like to reiterate that Ambassador Weiss in every case was accompanied by Fred Demech of the PFIAB Staff and that Captain Demech concurs completely in the accuracy of the transcripts.

Let me reiterate that both in the semi-annual report and in Leo's and my meeting with the President, we strongly emphasized two points: first, in particular, regarding the consumer/producer project that we concluded that the consumers were much at fault in not relaying their needs and dissatisfaction or (indeed their satisfaction) with the product to the producers. Secondly, we emphasized that in general we were most pleased with the tremendous progress that has been made under your leadership in strengthening our intelligence capability almost across the Board.

With best regards.

Sincerely,



Anne Armstrong
Chairman

The Honorable William J. Casey
Director of Central Intelligence
Central Intelligence Agency
Washington, D. C. 20505

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Enclosures: a/s

CODEWORD MATERIAL
APPENDED

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REGRADED UNCLASSIFIED
WHEN SEPARATED FROM
CLASSIFIED ENCLOSURES

Discussions with the Policy/Consumers
Diplomatic and Intelligence Estimates

This commentary is based on interviews with the following senior officials*:

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Each of the above individuals were provided with an advance outline of areas which would be discussed. The discussions were not, however, confined to the outline. Our purpose was to determine the perspective of the policymakers, the consumers of intelligence,

* In addition to those listed as having been interviewed, have had a number of private conversations with other officials, e.g.,

and

as to the strengths and weaknesses of the product they receive.
these sorts of issues during our discussions:

- How useful is the intelligence product you receive?
- If useful, in what ways, e.g., support during crises or for longer term planning or both?
- How could the product be improved, e.g., provision of more diverse view points?
- How much "feed back" do you provide to the I.C., i.e., do you provide formal guidance, or have frequent interchanges, etc.?
- What is your assessment of the expertise within the I.C., are these highly capable, experienced, well trained experts?
- How important is insight into foreign leadership intentions and motivations and do you obtain such insights?

interviews were tailored to the responsibility of the person were meeting with and frequently narrower and more specific subjects were discussed. on all the interviews. accompanied.

1. Availability of Intelligence to Policymakers.

officials were convinced they were not seeing relevant intelligence which impacted on their responsibilities. In one specific instance, _____ had been denied access to certain sensitive intelligence related to the crisis. In another, _____ indicated that _____ doesn't get all of the intelligence on economic and technical issues nor does _____ see very much HUMINT. Part of the problem in the _____ is that codeword intelligence is hand-carried to the official's office and it must be read while the courier waits. [Comment: It is not evident that anyone on the staff of these officials has taken the time to determine exactly what intelligence is available from the entire Community which might be of use to their bosses.] (and he underlined in the past) was rather good. _____ noted, however, that _____ had recently reorganized and divided up the functions of its economic reporting staff. _____ was quite uncertain as to what sort of product _____ would now be receiving. He made clear that it might have made sense for _____ to discuss its reorganization plans with the consumers in advance. _____ stated that _____ was satisfied with the intelligence _____ is receiving on _____ emphasizing that

the Community response to providing timely intelligence in the existing crises situation was excellent. far more equivocal with regard to as a whole (and see below for attitudes on I.C. inputs to long-range planning).

2. Utility of Intelligence in Satisfying Policymaker's Requirements.

pointment with the content of the intelligence. the emphasis was on current intelligence without much historical perspective and with very little emphasis on exploitable areas of policy. the flow of material was so large that it was rather undifferentiated. [Comment: This view was repeated undifferentiated flow of material of not much use to the harassed policymaker and a general disdain of intelligence as relevant to long term policy planning.] continued and said that intelligence was not a major element in providing with an ability to think through major policy options. said that in general, found the Intelligence Community product of little use. Exceptions existed, e.g., well briefed on what to expect in capitals before his

stressed the importance of relating economic intelligence to political intelligence which is not the norm. cited as an example that might be on the edge of a major negotiation with a given foreign government without being aware that the ministers with whom would be negotiating might be on their way out politically and therefore not really be in a position to make effective commitments. has had problems in getting the Intelligence Community to focus on special matters such as the Soviet response to the U.S. strategic modernization program. Not unreasonably would like some insight as to how the Soviets view our major initiative in this area. If, e.g., the programs were troubling the Soviets then they were enhancing deterrence which was their principal purpose. But intelligence was mute on the subject. does not believe that the Community looks at possible alternatives or speculates, the tendency is to come up with a consensus best estimate. had a comparable observation. Though attempts to provide independent views, bureaucratic pressures and time pressures limited the degree to which competing assessment could be offered. commented that there was a reluctance on the part of the Intelligence Community to offer alternative hypothesis. were perhaps afraid to go out on a limb. As a result, tended to err on the side of caution saying the obvious and in short they were rather lacking in initiative. thought that the utility of intelligence varied widely. Some provided immediate inputs, some was more in the category of "expanding knowledge," and a good deal was rather useless. repeated theme that the material was undifferentiated and thus anything longer than two pages probably would not get read. While was satisfied with the crises support on thought intelligence was inadequate for the non-crises longer range problems.

3. Technical Capabilities vs. Human Intelligence (HUMINT).

capabilities were outstanding while HUMINT was less than desired. ^{our technical} said that there was no question in the ability of the Intelligence Community to come up with insights into intentions and motivations of foreign officials and societies, both adversary and friendly, was much less productive than ^{noted that it was} would like it to be. ^{would profit} it was HUMINT, but the implication was clear -- ^{both} a great deal from a better HUMINT insight. The inadequacy of HUMINT is such that National Intelligence Estimates are not very useful instruments. ^{reaction was} agreed that the Intelligence Community was uniformly short on intelligence relating to motivation. ^{intelligence is coming} mixed. In ^{most} from technical collection - SIGINT. With the rest of the job. -- ^{that isn't the case and only HUMINT can do the} needs to support his policymaking functions. ^{rather} was concerned about "big buck" collection systems. ^{He believed that there} harsh in his view of NRO (protect source). He believed that there were inadequate checks and balances. The tendency was to design new systems which competed with other collection systems, NRO costs tended to escalate enormously and the tendency was to "rob Peter to pay Paul." Some systems (Thermal IR) were "jammed down the throat" of the Intelligence Community simply by virtue of the fact of strong personnel in the NRO and despite the fact that there was little support for such programs. In short, these requirements were laid on by technical people in ^{since "they} own the program office in the NRO." ^{revealed that} guidance tended to support an increase in HUMINT, but this was not reflected in the budget. He also believed that MAAGs could do more in foreign countries.

has gone to the Hill for a modest independent HUMINT program of its own which is not being well received on the Hill. [Comment: I learned from other sources that the Hill is asking why ^{needs} its own HUMINT collection. Answer: ^{collection is not tailored to} needs.] ^{said that what he sees of HUMINT is good but} that a great deal more is required and that attention should be addressed to providing a clearer assessment of the source of HUMINT collection (i.e., he finds it difficult to know how good the source is and thus how reliable the information is). ^{said that} there was an over-fascination with political intelligence personally thought that a good deal of it was dubious. The reason for this was that the Intelligence Community "can't get into the heads" of foreign officials and this in turn limits the utility of political intelligence. [Comment: It is perfectly clear that all policymakers desire and could use better insight into intention and motivations of our principal adversaries. While technical collection will occasionally provide such insights, HUMINT is potentially a fruitful and underutilized source.]

investigate the potential impact of a marginal diversion of resources from technical intelligence to HUMINT. Would \$100M less of technical intelligence, if devoted to HUMINT, make a substantial difference? How long might it take to get a pay-off? We may well determine that the problem is only partially related to funding constraints. If so, we ought to see whether other problems associated with an inadequate HUMINT collection can be overcome. This is, of course, a matter more appropriate for to consider. However, should be made aware of the unanimous feeling of dissatisfaction among policymakers with the adequacy of HUMINT.]

4. Provision of Guidance, Tasking and Feedback to the Intelligence Community. Despite the fact that virtually no one was entirely satisfied with the intelligence product, it was hard to find any policymaking official who did something about it. Within the it appeared that everyone was too busy (or too indifferent) to take the time to tell the Intelligence Community what was required. (In some instances, it appeared that not much effort was made to determine if some form of intelligence on a specific subject existed.) It was evident that almost no one in any agency understood the mechanism for stating requirements or how priorities are determined. is attempting to devise a plan which will bring the Intelligence Community closer together in satisfying requirements and establishing priorities, but this is a modest effort, not likely to affect the general inadequacy of feedback and guidance. the question as to who in sees himself as having the responsibility to provide guidance and direction to the could not be answered. None of those to whom we talked, including stated that tasking "came out of the policy side of as the thought cited as the interface within the Intelligence Community and as having a responsibility for commenting on key intelligence questions. When indicated to that did not describe his function to me in that fashion, he was surprised. In talking to was left with the impression that once again, the precise procedure which was followed in developing or securing guidance within is not terribly clear.

5. Coordinating Within the Intelligence Community. confided that was useful in one major sense -- namely as a conduit for receiving material from. Further, he thought was trying to duplicate and and in each instance was not equipped to do so. In a word, said that to be quite blunt about this matter, if had one-half of money and personnel, it could do a much better job, period! held the reaction to was rather scathing. Although held the in high regard, he thought "should be abolished." As far as he was concerned, they served largely to rewrite and re-package material otherwise available and therefore really represented

a redundant capability. He said that the analysis that does is in most part bad. At a minimum, he believes that would profit from having fewer number of better people. depends almost solely on for intelligence on Central America and almost never uses said, however, that had a very close working relationship with. Nevertheless, did comment that thought on the whole they tended to be cautious. Also, liked to have an impact on policy and as a result, some- times became too rigid in the conclusions they advanced. [Comment: From these interviews, it was difficult to determine if there is any coordination on intelligence product before it reaches the policymakers. Within as a whole is not held in high esteem.]

6. Expertise Within the Intelligence Community. Several of- ficials voiced serious concern on this subject. Specifically, pertise was lacking. thought the capability for analysis was poor because ex- Soviet Union and China, it was difficult to get good data. But aside from that, conceded that "people don't have a model in mind" and therefore they do not know how to present data which is available. One of the more difficult problems was that the Intelligence Community lacked people with a long and deep background in a given country or in a specific area. The system does not allow a person to spend his/her entire career as a Russian or Yugoslavian analyst or as a financial or economic expert. said that we needed to have programs for analysts who could specialize on a country, perhaps spending some time living in that country and also completing work toward an advanced academic degree. mentioned that some years ago, conducted a study on Yugoslavia in which he compared information from first class foreign journalists and that from the Intelligence Community. In general, the journalists were superior. Among the conclusions which advanced were: the issue is not collection; analysis is too casual and superficial; it is partly a matter of additional funds; and it is partly a structural problem. We must, argued, change the career structure in the Intelligence Community to offer long-term advancement within a rather narrow area of specialty. mentioned that our intelligence inadequacies tended in some measure to be related to a language problem and cited China and Japan where he believed language capabilities were inade- quate. also has serious questions about our language ability in various areas, commenting in particular on the Arab world where believes the evidence suggests that our capabilities are superficial. wondered, e.g., whether our people read local newspapers and other relatively available sources of useful informa- tion. also cited the gradual disappearance of Soviet experts, estimating that our insight into Soviet behavior was better 15 years ago than it is today even though our access was certainly no better then, if not worse. noted that political staffs in embassies were too small and that he was forced increasingly to rely on also is not impressed with our political analysis capabilities. In some cases, we could get more out of a foreign newspaper. said that had begun to

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focus away from collection and into analysis. said that the object of a recent increase in billets was to improve the analytical capability of . Nevertheless, remarked that "still has a long way to go," that there simply are not enough attaches available nor are there enough competent analysts available. [Comment: The lack of trained analysts and language qualified experts is a problem have previously encountered. In a study participated in for found that their Saudi Arabian expertise was close to nil, despite the obvious importance of that country. Similarly the Soviet expertise of the and represented in the past by the has dried up. Our to an able officer, has no background in Soviet affairs and does not speak Russian.]

7. Distribution of Assets Within the Intelligence Community. Most officials thought it was probably appropriate that intelligence priorities focus primarily on the Soviet Union, Warsaw Pact countries and China. However, they were universal in their opinion that this meant that Third World coverage would be less adequate and that from time to time, we would miss an important development. thought too much effort was devoted to arms control verification such as SALT compliance, thus wasting resources which could better be used elsewhere. argued not that should ignore SALT compliance but that the level of effort and the level of detail were not justified. gained little in the way of insight as to the adequacy of functional (as contrasted to geographic) distribution of the intelligence effort.

8. Adequacy of Long-Range Intelligence vs. Adequacy of Support to Crisis Situations. The great majority of these policymakers were convinced that the intelligence which they see tends to support only near-term and crisis situations. While was satisfied with the crises support on Central America, thought intelligence was inadequate for the non-crises longer range problems. worries as to the adequacy of ability to look to the future. Because of the system of distributing codeword material (a courier waits while it is read) stated that there is a tendency to focus on the more immediate problem, i.e., current intelligence and largely ignore longer documents dealing with more complex and future oriented material. said virtually the same thing. thought that there should be some sort of an institutional structure which causes the policymaker to draw back from current day-to-day pressures and focus on the longer term intelligence and policy-related issues. said that today's intelligence is excellent as an early warning system, especially during a time of crisis, but not in terms of long-range planning. stated that did not rely very much on intelligence contributions in dealing with long-range planning although there were some important exceptions. In this regard, cited the Intelligence Community's study on Soviet energy and efforts on the Yamal pipeline. indicated that by and large the Intelligence Community product was of little

use for long-term planning. ⁸ thought that in a crisis situation, the Intelligence Community generally well serves the substantive people. cited the recent Lebanon/Israeli crisis during which received good insights. was, however, not very optimistic as to the contribution of intelligence in long-range planning. As to NIE's, and because of a lack of good insight into motivations and intentions of foreign leaders, they are not considered a terribly useful instrument. [Comment: There seemed to be unanimity on the utility of short-range crises intelligence support and a general disdain for the value of intelligence for longer range policy planning. This seems to be a very serious indictment.]

9. Comments on Specific Intelligence Community Products

NIE 11-3/8. At a separate luncheon discussion with asked if had read the latest Intelligence Community product on Soviet strategic forces. indicated that a copy was available to at the PFIAB but had not yet had a chance to read it. expressed some considerable dissatisfaction with that document. noted in particular that the consistently took footnotes which were "well to the left" of the consensus positions in the estimate. Moreover, it was impression that thought the consensus positions were not particularly persuasive. commented, in passing, that it reminded very much of the experience which had jointly shared in the review exercise. also brought up the subject of NIE 11-3/8 and said that this represented a good example of bad intelligence performance. described a briefing on the strategic force balance which had been presented to by which, as far as was concerned, was "precisely the kind of bad material that was presented during the Carter Administration." [Comment: will want to discuss this privately.] In general, indicated that was not asked for its views on matters of ongoing NIE's, although they did in one case provide a memorandum indicating the substantive areas that they would like to see information developed, e.g., such as C³I. [Comment: Intend to review NIE 11-3/8 very carefully. strongly recommend that it become a major point of discussion and consideration by the PFIAB as a whole.]

Soviet Pipeline to Western Europe. cited as doing a good job in this area. He mentioned that also had gone to outsiders and talked with private oil firms, eventually overcoming the innate bias in the direction of believing that a cut-off of U.S. supported technology could really impede the Soviet pipeline development. (The thing that makes this comment interesting is that it is contradicted by reconfirmed by see below.) One area of production which

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cited as having been particularly useful was in connection with the pipeline issue. [redacted] indicated that there had been a major battle within the [redacted] and that [redacted] intelligence was useful in supporting [redacted] contention that continuance of the pipeline or support of the pipeline would be harmful to U.S. interests and that conversely a cut-off of U.S. support would seriously impede the Soviet interest. [redacted] had eventually lost the battle within the [redacted] on this issue but that the [redacted] intelligence had been helpful. [Comment: Note contradiction with [redacted] view.] [redacted] commented that the [redacted] effort on the Yamal pipeline assessment was rather good in that it tended to support the contention that while the U.S. could perhaps delay and make more costly the Soviet effort by and large, we could not significantly impede it. [Comment: Note in this regard that supports the [redacted] view rather than the [redacted] view.] In response to [redacted] question as to how [redacted] explained the difference between and [redacted] on the substance of this issue, if both were receiving the same intelligence insights, [redacted] said that in general could not. However, that [redacted] believed that [redacted] eventually was brought around to accepting the intelligence assessment which accepted, i.e., that U.S. support was not greatly consequential. [Comment: Soundings with OSD staff suggest this conclusion is not supportable; there is still a wide divergence in view on the pipeline.]

Competing Analyses. During discussions with [redacted] to comment on invited one of the senior analysts, [redacted] offered the view that the Intelligence Community's product. [redacted] offered the view that the Intelligence Community's products were inadequate because they lean over backwards to avoid a policy orientation. As the discussion developed, it was also clear that both [redacted] and, to some extent, [redacted] felt that the Intelligence Community (or at least key personnel within the Community) remain essentially unchanged from earlier periods. These people, or at least a good number of them, had a bias which felt was contrary to the position of the current Administration. Accordingly, the intelligence material which was developed was of rather poor quality. There was also some discussion as to the nature of [redacted] contributions to Intelligence Community-wide products. The sum and substance of the discussion was that it was extremely difficult to provide commentary which sharply disagreed and diverged from the Community consensus. Occasionally, it was possible to do so (a few examples were cited) but it was clear that [redacted] feels under considerable pressure not to overdo the process of non-concurrence. It was even remarked that pressures by the Intelligence Community on [redacted] (noting that [redacted] controls sources and dollars) could well result in [redacted] being "cut off" if it non-concurs. Also, [redacted] seems not to have too much patience with differences within the Intelligence Community and places a great deal of emphasis upon rapidly produced products. This makes it difficult for those who tend to non-concur since that obviously slows the process down. One other significant comment which offered was that [redacted] personally viewed the [redacted] as a whole as

having "captured" It was clear that what meant by that was, precisely what we had heard from others, namely that the is still largely peopled by those analysts who were turning out material under the Carter Administration supportive of arms control proposals like SALT II. felt apparently that these people were hardly objective in their analysis.

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As a final point, call your attention to a 1980 Study, "The Impact of Intelligence on the Policy Review and Decision Process," am indebted to for digging this out.) One finds in this document a validation of the principal points contained above. For example: "In regard to crisis management . . . the impact of intelligence is strong." As to "policy management" the policy people "were consistently critical." In general, such intelligence "was irrelevant to the policy considerations at hand." As to feedback, it represented "the most serious and pervasive of gaps." Other cogent insights are contained in this study which came to our attention after we had completed our interviews. Its significance is two-fold:

- It supports our investigation without exception, and
- Nothing seems to have been done to correct previously identified problems.

Perhaps this latter comment can be a useful point of departure for PFIAB.

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The Task Force had several meetings with officials responsible for producing intelligence products. In addition, a significant number of current senior policymakers were interviewed during March through June 1982, in order to gain their views on the utility of intelligence products. Included were:

- Mr. Lawrence Eagleburger, Under Secretary of State for Political Affairs
- Mr. James Buckley, Under Secretary of State for Security Assistance, Science and Technology
- Mr. Thomas Enders, Assistant Secretary of State for Inter-American Affairs
- Mr. Robert Hormats, Assistant Secretary of State for Economic and Business Affairs
- Mr. Peter Constable, Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs
- Mr. Richard Burt, Director of the Bureau of Politico-Military Affairs, Department of State
- Mr. Paul Wolfowitz, Director of the Policy Planning Staff, Department of State
- Mr. Hugh Montgomery, Director of the Bureau of Intelligence and Research (INR), Department of State
- Amb. Paul Nitze, U.S. Representative for Theater Nuclear Force Negotiations
- Mr. Fred Ikle, Under Secretary of Defense for Policy
- Gen. Richard Stilwell, USA (Ret), Deputy Under Secretary of Defense for Policy Review
- Mr. Richard Perle, Assistant Secretary of Defense for International Security Policy
- Mr. Richard DeLauer, Under Secretary of Defense for Research and Engineering
- Mr. Andrew Marshall, Director of Net Assessment, Department of Defense
- RADM E. A. Burkhalter, USN, Deputy Director, Defense Intelligence Agency
- Mr. Richard Pipes, National Security Council Staff (U)

Additionally, in July 1982, a seminar discussion was held with the following former government officials:

- Mr. Zbigniew Brzezinski, former Assistant to the President for National Security Affairs
- Amb. U. Alexis Johnson, former Ambassador to Japan
- Amb. Richard Helms, former DCI and Ambassador to Iran
- Adm. George Anderson, USN (Ret.), former Chief of Naval Operations
- Adm. Bobby Inman, USN (Ret.), former Deputy DCI
- NSC Staff member (U)